



State of Utah

DEPARTMENT OF NATURAL RESOURCES

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Technical Analysis and Findings

Utah Coal Regulatory Program

PID: C0250005
TaskID: 4591
Mine Name: COAL HOLLOW
Title: CHANGE OF MINING SEQUENCE

Summary

The Task ID # 4591 submittal "CHANGE OF MINING SEQUENCE" does not meet the requirements of the R645 Coal Mining Rules and it can not be approved. In accordance with; R645-301-553, the Permittee should provide adequate information to the Division so that the Division can justify leaving Strip Pit 9 open for an undetermined length of time, (i.e., beyond the time requirement of R645-301-553). The leasing of the adjacent Federal coal reserves is based upon the development of specific documents for Federal leasing. It is believed that the Permittee can provide enough adequate information (which would be classified as confidential) in this leasing process to support the Division's approval of the requested variance.

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Operation Plan

Topsoil and Subsoil

Analysis:

There has been no change to the narrative of the topsoil handling plan. Therefore, the Division assumes that the temporary topsoil stockpiles adjacent to Plts 27 and 28 will be utilized this field season. Pit 10 was stripped of topsoil in 2013 but will not be mined. Dwg 5-38 shows the area of Pit 10 being reclaimed in 2016. The plan should address interim stabilization of the Pit 10 surface.

Dwg 5-38A shows that there are currently 47 acres of open pit/ trench. Under this projection, Pits 22 and 23 could remain for two more years, through the end of 2015. Pits 26 and 27 will be reclaimed in 2014 and will receive live haul. The excess spoil pile west of Pit 1 (shown on Dwg 5-10) will be fully reclaimed in 2014 and may receive live haul. Because spoil will be hauled from the excess spoil pile to fill Pit 9, the Excess spoil pile will not receive likely receive live haul. Pit 9, highwall trenches 1 - 3 (HWT 1 - 3) and the facilities yard will be the last to be reclaimed in 2016. Stored topsoil will likely be used to reclaim these final 166 acres.

Deficiencies Details:

R645-301-244.100, Pit 10 was stripped of topsoil in 2013 but will not be mined. Dwg 5-38 shows the area of Pit 10 being reclaimed in 2016. The plan should address interim stabilization of the Pit 10 surface.

pburton

Hydrologic General

Analysis:

The Permittee submitted an amendment to the MRP in order to change the sequence of mining at the Coal Hollow Mine. There are no changes associated with hydrology for this amendment as the Permittee is already approved for highwall mining in these areas.

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Maps Affected Area

Analysis:

The disturbance sequence is shown on Dwg 5-2A. Pits 9, 22 and 23 would be auger mined in 2014. Pit 9 would remain open and lead south to the high wall trench. Mining would be completed in 2015. a total of 332 acres would be disturbed over the mine life. Acreage of disturbance is provided by year on Dwg 5-2A.

Drawing 5-9A shows the coal recovery by mining method. Two areas colored (red and purple) on this map will have no coal recovery. The color designations should be explained in the legend on this map.

Drawing 5-10A shows three highwall trench segments (HWT1, HWT2, HWT3) and the panels heading east and west from each trench. the panels fall within the existing permit boundary.

Dwg 5-16A shows the overburden removal sequence. There will be 1,630,000 yd³ moved in 2014 and 2,753,000 yd³ moved in 2015. The map shows in the legend that 1,149,000 yd³ will be moved in 2016, although there is no corresponding colored area on the map. Likely, this additional overburden will come from the Excess Spoil pile to be used as fill in Pit 9. This is not made clear on the map however.

Dwg 5-19 shows Phase 2 and Phase 3 reclamation and is the map used for bonding purposes. Dwg 5-19 states that in Phase 2 there will be 23.5 acres fully reclaimed. In Phase 3 there will be 126 acres fully reclaimed. The 126 reclaimed acres in phase 3 is shown on the map. Of that acreage, 84 acres will require backfill; Pits 22-25 and HWT 1 - 3 will require 3,540,000 loose cubic yards (LCY) of overburden to fill. Pit 9 will not be backfilled in Phase 3 and is 33.9 acres. Pit 9 will require 2,545,000 LCY from the Excess Spoils Pile to fill under the bonded scenario.

Dwg 5-38A Reclamation Sequence has been revised for this mining sequence to state a reclamation schedule of 66 acres reclaimed in 2014; 70 acres reclaimed in 2015 and 166 acres reclaimed in 2016. The drawing shows that there are currently 47 acres of open pit trench. Under this projection, Pits 22 and 23 could remain through the end of 2015, while still being in compliance with back filling and grading requirements of %645-301-553 (see narrative on page 5-72 and 5-73. . Pits 7 & 8 will be fully reclaimed in 2015. Pit 9 and HWT 1 - 3 will be reclaimed in 2016. This application requests a variance from the requirements of R645-301-553 for Pit 9 only, as shown on Dwg 5-38A.

Deficiencies Details:

R645-301-121.200, Drawing 5-10A shows the coal recovery by mining method. Two areas colored (red and purple) on this map will have no coal recovery. The color designations should be explained in the legend on this map. 2) Dwg 5-16A shows the overburden removal sequence. The map shows in the legend that 1,149,000 yd³ will be moved in 2016, although there is no corresponding colored area on the map. Likely, this additional overburden will come from the Excess Spoil pile to be used as fill in Pit 9. Please note the location of the 2016 overburden on Dwg 5-16A. 3) The legend on Dwg 5-38A indicates there are 301 acres Total Disturbed area, but the Estimated Reclamation Schedule tallies 332 acres Total and Reclaimed acres. Please explain the distinction.

pburton

Reclamation Plan

Backfill and Grading General

Analysis:

The text of the cover letter submitted with Task ID # 4591 states that Strip Pit 9 may provide access to the Federal coal reserves adjacent to the permitted fee property on the SW and/or North sides. The Permittee has submitted a request for a variance to the requirements of R645-301-553 relative to meeting the 60 day time frame requirement for backfilling and rough grading. Should Alton Coal Development LLC not obtain the Federal reserves, the Permittee has committed in the cover letter to reclaim Strip Pit 9 in the approved manner designed in the mining and reclamation plan.

It must be noted that Alton Coal Development LLC has not provided adequate justification as to why Strip Pit 9 should be left open for an undetermined length of time. Plans, drawings, the LBA application, and a time frame progression of the leasing process (all CONFIDENTIAL if necessary) should be provided to the Division to justify a Division approval of the requested variance.

The decision to approve a variance to the requirements of R645-301-553 is a senior level management decision.

Deficiencies Details:

Findings:

The Task ID # 4591 application is deficient in that it does not meet the requirements of R645-301-553 for the Pit 9 mining area as shown on the Task ID # 4591 / Drawing 5-10A.

Therefore in accordance with the requirements of:

R645-301-553, the Permittee should provide the documentation for the leasing of the adjacent Federal coal reserves to provide adequate justification for the Division to approve the requested variance.

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Revegetation Timing

Analysis:

The permittee has submitted an application to obtain approval to leave pit # 9 open to facilitate highwall mining. The regulations do allow a variance to this requirement. The estimated reclamation of pit 9 is scheduled for 2016 as depicted on plate 5-38A. Revegetation of the pit will proceed in accordance with the approved MRP. The amendment is recommended for approval.

jhelfric

Bonding Determination of Amount

Analysis:

The Permittee has a surety bond posted in the amount of \$ 10,000,000 through Ironshore Indemnity, Inc. (as of 12/13/2013) payable to the Utah Division of Oil, Gas and Mining and the U.S. Office of Surface Mining which is adequate to ensure the reclamation of the Coal Hollow Mine site.

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